

## **Dairy Commission**

The Nevada Dairy Commission was established by the Nevada Legislature in 1955 for the purpose of ensuring that an adequate and continuous supply of nutritious, wholesome, fluid milk and dairy products is available to Nevada consumers. Laws and regulations allow the Dairy Commission to monitor the dairy industry through auditing and investigative activities. The Dairy Commission is dedicated to promoting a business climate that is economically viable for those who produce and process dairy products in Nevada.

The original legislation established that it is the policy of the state of Nevada to promote, foster and encourage intelligent production and orderly marketing of commodities necessary to its citizens, including milk; and to eliminate speculation, waste, improper marketing, unfair and destructive trade practices and improper accounting for milk purchased from producers.

The purpose of the act to establish the Dairy Commission was:

1. To provide funds for administration and enforcement of the act, by assessments to be paid by producers of fluid milk and fluid cream or both, and from licenses issued to distributors.
2. To authorize and enable the commission to prescribe marketing areas which are necessary due to varying factors of costs or production, health regulations, transportation and other factors in said marketing areas.
3. To authorize and enable the commission to formulate stabilization and marketing plans.
4. To enable the dairy industry with the aid of the state to correct existing evils, develop and maintain satisfactory marketing conditions and bring about a reasonable amount of stability and prosperity in the production and marketing of fluid milk and fluid cream.

The original legislation in 1955 established a Commission of five members: one producer, one distributor, one producer-distributor, one operator of a retail store, and one member a representative of the consuming public. The Commission appointed employees necessary to carry out the provisions of the legislation.

The Dairy Commission is funded from fees collected through licenses, permits, and assessments on regulated dairy products. It does not receive funds from the State General Fund.

The 1955 legislation classified fluid milk into three classes with class one being milk marketed as milk, class two being ice cream and class three being butter and cheese. It also directed the Commission to hold public hearings in the State Marketing Areas to determine Stabilization and Marketing Plans for these areas.

The legislation did not provide adequate funds for the Commission to operate so it returned to the Legislature in 1957 and received supplemental legislation. This included increasing the Commission to nine members. The new Dairy Commission had its first meeting on May 22, 1957 and employed as its first Secretary-Administrator Clarence J. Cassady.

The Commission established three Marketing Areas for Nevada which were the Western Marketing Area based in Reno, the Eastern Marketing Area based in Ely, and the Southern Marketing Area based in Las Vegas. Public hearings were held in these Marketing Areas in 1956 and 1957 to establish area Stabilization and Marketing Plans which set minimum prices necessary to accomplish the purpose of the legislation. The categories of these minimum prices established were producer, wholesaler, and retailer. This price fixing on the producer, wholesale, and retail levels became the most controversial of all the duties of the Dairy Commission. The Commission always emphasized that these were floor prices and it was very rare for a retailer to sell milk anywhere near the floor and that high milk prices could not be blamed on the Nevada Dairy Commission.

